



PSC NEWS

Missouri Public Service Commission

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NATURAL GAS RATES TO DROP FOR LACLEDE GAS COMPANY CUSTOMERS

JEFFERSON CITY—To reflect estimated changes in the wholesale cost of natural gas, Laclede Gas Company (Laclede) customers will see natural gas rates drop by approximately 12% under a filing which will take effect on November 16, 2006.

A residential customer currently pays approximately \$1.03 per therm (per 100 cubic feet of gas). Under this filing, the rate will drop to approximately \$0.90 per therm (per 100 cubic feet of gas), a decrease of approximately \$0.13 per therm.

Approximately 65% to 75% of a customer's natural gas bill reflects the cost of natural gas from wholesale suppliers. The wholesale cost of natural gas (the cost your local natural gas company must pay to its suppliers for natural gas) is not regulated by the Missouri Public Service Commission. The wellhead cost of natural gas is unregulated and is primarily driven by supply, demand and the weather. The Missouri Public Service Commission does conduct an annual regulatory review to ensure that regulated natural gas companies make prudent decisions in securing natural gas supplies for their customers.

Laclede Gas Company serves approximately 631,000 natural gas customers in the City of St. Louis as well as the Missouri counties of St. Louis, St. Charles, Butler, Iron, Franklin, Jefferson, Madison, St. Francois and Ste. Genevieve.